

Regular Session, 2013

HOUSE CONCURRENT RESOLUTION NO. 177

BY REPRESENTATIVE HUNTER

A CONCURRENT RESOLUTION

To urge and request the Federal Emergency Management Agency and the National Flood Insurance Program to implement usage of the National Flood Insurance Program's increased borrowing authority and to take all other necessary measures available to delay the implementation of flood insurance premium increases to property owners.

WHEREAS, the National Flood Insurance Act of 1968 was enacted to provide previously unavailable flood insurance protection to property owners; and

WHEREAS, the National Flood Insurance Program, managed by the Federal Emergency Management Agency, continues to provide important and necessary property coverage for home and business owners throughout various Louisiana parishes, as well as counties and communities nationwide; and

WHEREAS, the Biggert-Waters Flood Insurance Reform Act of 2012 was signed into law on July 6, 2012; and

WHEREAS, the Biggert-Waters Flood Insurance Reform Act includes provisions that permit the National Flood Insurance Program to increase premium rates for many policyholders; and

WHEREAS, under the changes to the National Flood Insurance Program, Louisiana property owners will suffer to pay overwhelming and insurmountable amounts of money or will lose their flood insurance; and

WHEREAS, in H.R. 41, the United States House of Representatives and the United States Senate voted in 2013 to increase the National Flood Insurance Program's borrowing authority from twenty billion seven hundred twenty-five million dollars to thirty billion four hundred twenty-five million dollars in times of emergency, as defined by federal law; and

WHEREAS, the federal Pay-As-You-Go Act of 2010 requires emergency spending to conform to five tenets; and

WHEREAS, these five tenets require that the spending be necessary, unforeseen, sudden, not permanent, and urgent; and

WHEREAS, the sudden skyrocket in premiums to property owners insured by the National Flood Insurance Program will have economically disastrous consequences for the state of Louisiana and will be a financial tragedy to a large percentage of Louisiana citizens; and

WHEREAS, in May of 2013 and in consideration of the unduly hazardous effects the increasing premiums will have to Louisiana and to the nation, the Louisiana delegation of congress, led by Congressman Cedric Richmond of Louisiana and Congresswoman Maxine Waters of California, joined together to file a bill to delay implementation of any increases in National Flood Insurance Program premium rates until six months after congress has received and had the opportunity to study an affordability report from the Federal Emergency Management Agency; and

WHEREAS, as of May 29, 2013, such report is still forthcoming; and

WHEREAS, in light of the disastrous effects such a communally discouraged rate hike will cause, the Federal Emergency Management Agency and the National Flood Insurance Program have a responsibility to take all precautionary measures within its collective authority; and

WHEREAS, as of May 29, 2013, there is no public record of the National Flood Insurance Program attempting to temporarily offset its expenses or increase its operating budget by availing itself of its increased borrowing authority; and

WHEREAS, due to the unprecedentedly negative effects a collectively rejected premium increase would wreak on Louisiana home and property owners, such premium increase fits within the federal standard of "emergency", thereby requiring the National Flood Insurance Program to avail itself of the increased borrowing authority granted to it by the United States Congress in January of 2013.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby urge and request the Federal Emergency Management Agency and the National Flood Insurance Program, pursuant to the authority granted by the United States Congress, to

increase borrowing in order to mitigate the hazardous effects a sudden increase in premium would cause.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the director of the Federal Emergency Management Agency.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE